



the **CU** Exchange

ExamShare
CU*ANSWERS
A Credit Union National Organization

PolicySwap
CU*ANSWERS

Building Your Own Credit Union Regulatory Knowledgebase

Every time you pass by a “Give a Penny, Leave a Penny” tray, you are witnessing collaboration in action. Your community donates spare change so you don’t have to go around with a stack of coins weighing down your pocket or purse. The simple act of donating to the penny tray helps everyone in society.

The CU*Answers “penny trays” are the *Cooperative Score* sites, including **PolicySwap** and **ExamShare**. By tapping into the collective knowledge of our cooperatives, we are building an impressive database of knowledge to be shared throughout our community. The goal is to broaden the knowledge of every cooperative in our community so all of us improve our examination scores.

To help accelerate the process, CU*Answers is offering for a limited time our *CollabRebates* when you submit policies or fill out an examination survey. Not only will you help your peers, you are helping yourself. Our offer expires June 1, 2012 so please don’t delay!

*We need your help to
add even more
knowledge resources*

In This Issue

Check out some unique policies and programs.

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Take a look at all the new examination information.

Page 3

All the new policies are summarized and indexed.

Page 4-6

Policy and Exam Spotlight

Even if you are not looking for a policy, you might wish to review these three unique policies and programs for inclusion at your own credit union.

Associate Board Members

River Valley Credit Union offers a detailed policy regarding the onboarding of Associate Board Members. These Associate Board Members are non-voting, but can participate in all board discussions and be part of sub-committees. They are also subject to the Directorship Responsibility Policy.

This program provides an opportunity to groom future credit union leaders and is something that credit unions without this type of program should consider.

Courtesy Pay

Honor Credit Union provided a policy that details the operation of their Courtesy Pay program. Some of the items covered include how much the credit union would keep in reserve for this program and under what circumstances the credit union could consider invoking the Courtesy Pay program.

Even if your credit union already has a program like this, reviewing the Honor Courtesy Pay program may help with the expansion and development of your own program.

Workout Loan Policy

Best Advantage Credit Union submitted details on their program for modifying the terms of loans for those members facing financial hardship. Frequency and amortization terms are just a few of the items covered in this program.

With so many members still facing some kind of financial hardship, every credit union should consider the terms of their own loan modification program to help members and save the foreclosure costs.

Request for Submissions

The PolicySwap library is already burgeoning, but we still need your policies. Please submit your policies and don't forget to collect your rebate. Note that we are not only accepting policies but programs and guidelines as well. Have a really successful Indirect Lending program? Please share the details with your peers. Every bit of knowledge we accumulate helps strengthen the network.

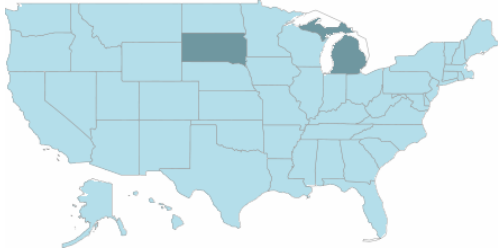
Of course, we also need you to report on your examination experiences. If you have an exam, please report as soon as possible so we can let others know what to expect.

Policy Tips

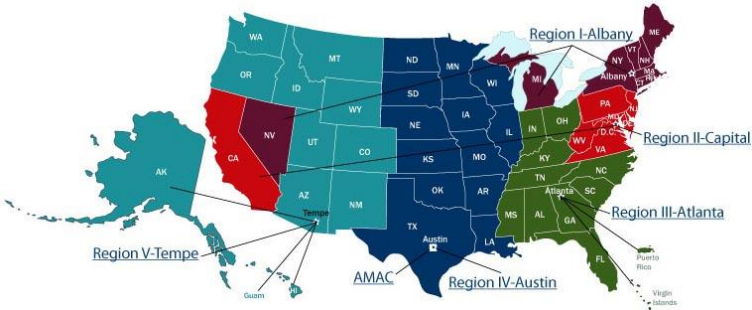
One of the items to consider when publishing a policy is to refer to the regulation, Letter to Credit Union, or examination report that spawned the policy in the first place. This lets the examiners know your credit union is aware of its compliance responsibilities and is using policies to meet these needs.



A big THANK YOU to all the credit unions who participated in March

Regions Reporting



NCUA Regions



State	Information	NCUA Region	Exam Type	Notes
	River Valley Credit Union Mid-Size State Chartered Community Credit Union	I	Safety and Soundness	River Valley Credit Union used an exam protocol and was not surprised by any of the findings in the final report.
	Services Center Federal CU Small Size Federally Chartered Community Credit Union	IV	Safety and Soundness, Compliance and IS&T	Services Center FCU received detailed questions before the actual exam. These questions have been reposted on the PolicySwap page. Advice from Services Center FCU is “Be fully prepared. Know the answer to any question before they ask it.”

Consumer Protection

Policy	Rating	Description
ALLL <i>River Valley Credit Union</i>	★★★★	Great policy that is fluent and points to procedures for calculation
ALM <i>River Valley Credit Union</i>	★★★	Good baseline ALM policy including all risks and measurement tools
E-Statements <i>Honor Credit Union</i>	★★★★	Great policy for understanding E-SIGN requirements
Incident Response Policy <i>Auto Owners Associates CU</i>	★★★★★	What to do if there is a security related incident
Privacy Policy <i>Auto Owners Associates CU</i>	★★★	Policy overview for protecting member policy
Safeguarding Member Information <i>Best Advantage Credit Union</i>	★★★★	How to protect the confidentiality of member information.
Service Member Relief Act <i>Honor Credit Union</i>	★★★★	Highly detailed policy regarding interest rate reduction requirements for active duty members

Corporate

Policy	Rating	Description
Associate Board Members <i>River Valley Credit Union</i>	★★★★	Interesting method for bringing on future elected officials - worth your time to review
Capitalization Policy <i>River Valley Credit Union</i>	★★★	Outlines CEO spending authority based on budgetary approved amounts
CEO Authority Level Statement <i>Western Districts Credit Union</i>	★★★★	Provides a table of CEO powers, including autonomous authority, act and report, and act after approval
Directorship Policy <i>River Valley Credit Union</i>	★★★	Overview of main responsibilities as directed by Michigan Law
Innovation Policy <i>Best Advantage Credit Union</i>	★★★★	Unique policy on fostering a culture of innovation
Paid Time Off <i>Best Advantage Credit Union</i>	★★★★	Describes mandatory paid time off rules
Record Retention Policy <i>River Valley Credit Union</i>	★★★★★	Provides detail and outlines timelines for retention of vital records

Succession Policy <i>River Valley Credit Union</i>	★★★★	Policy derived to insure quality of succession of management
Travel and Meeting Policy Best Advantage Credit Union	★★★★	Sets reimbursement expense guidelines

Due Diligence

Policy	Rating	Description
Identity Theft/Red Flag <i>Auto Owners Associates CU</i>	★★★★	Detailed policy regarding identity theft and red flag requirements
Record Retention Policy <i>Best Advantage Credit Union</i>	★★★★	Very informative description of retention rules and guidelines
Risk Assessment <i>Auto-Owners Associates CU</i>	★★★	Risk assessment policy regarding which areas of the credit union will be assessed
Vendor Oversight <i>Auto-Owners Associates CU</i>	★★★★	Talks in detail about the process around vendor management responsibilities
Third Party Due Diligence and Vendor Oversight <i>Honor Credit Union</i>	★★★★★	Another strong policy for what the credit union responsibilities must be for vendor due diligence
Vendor Due Diligence <i>River Valley Credit Union</i>	★★★★★	A policy every credit union should have - does a great job of bringing regulatory expectations into board required actions
Unlawful Internet Gambling Enforcement Act (UIGEA) <i>Auto Owners Associates CU</i>	★★★	Simple, effective policy for Reg GG

Financial Transaction

Policy	Rating	Description
Account Ownership <i>Honor Credit Union</i>	★★★★	Smart policy on how members can control their assets while living and how they can handle estate planning after death
ACH Management Policy <i>Auto-Owners Associates CU</i>	★★★★★	World-class ACH policy
ACH Management Policy <i>River Valley Credit Union</i>	★★★	Baseline policy for RDFI-only credit unions
Courtesy Pay Policy <i>Honor Credit Union</i>	★★★★★	Sets general operating rules for the credit union Courtesy Pay program

Safe Deposit Boxes <i>Honor Credit Union</i>	★★★★	Well written policy for the credit unions that provide this service
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Safety and Soundness

Policy	Rating	Description
Asset Liability Management <i>Best Advantage Credit Union</i>	★★★★	Well-detailed policy on ALM and interest rate risk
Concentration Risk <i>Auto-Owners Associates CU</i>	★★★	Policy for reviewing concentration risk in products and investments
Fraud Policy <i>FOCUS Credit Union</i>	★★★★	Employee facing policy specifying what constitutes fraud and requiring employee signature
General Security Policy <i>Honor Credit Union</i>	★★★★	Covers a lot of detail regarding physical and data security
Key/Combination Policy <i>Honor Credit Union</i>	★★★★	Among other positives, describes a good process for segregation of duties
Robbery Policy <i>Honor Credit Union</i>	★★★★★	Excellent policy on what to do in a robbery situation

Other Miscellaneous Policies

Policy	Rating	Description
Dormant Account <i>Best Advantage Credit Union</i>	★★★★	Brief clear policy on dormant accounts
Dormant Account <i>River Valley Credit Union</i>	★★★★	Foundational policy on how to lawfully handle dormant accounts
Lending Policy <i>Best Advantage Credit Union</i>	★★★★	Really good overall lending review
Participation Policy <i>Best Advantage Credit Union</i>	★★★★★	Provides a framework on how the credit union manages participations
SAFE Act <i>Honor Credit Union</i>	★★★★	Compliance policy for mortgage loan originators
Workout Loan Policy <i>Best Advantage Credit Union</i>	★★★★★	Guidelines on assisting members who have financial hardship

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score **B+** **A** **C-**

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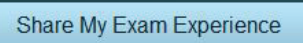
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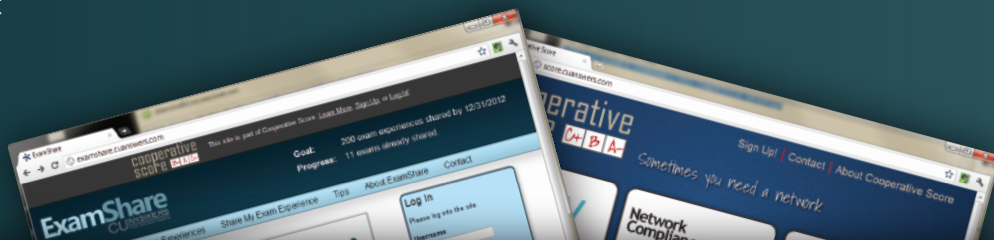


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before June 1, 2012*

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*if you share 10 policies
before June 1, 2012*

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